DE RUEHAM #1739 2151242 ZNY CCCCC ZZH P 031242Z AUG 09 FM AMEMBASSY AMMAN TO RUEHC/SECSTATE WASHDC PRIORITY 5641 INFO RUEHTH/AMEMBASSY ATHENS 0011 RUEHEG/AMEMBASSY CAIRO 4088 RUEHDM/AMEMBASSY DAMASCUS 4211 RUEHFR/AMEMBASSY PARIS 1584 RUEHRH/AMEMBASSY RIYADH 2190 RUEHRO/AMEMBASSY ROME 1622 RUEHUL/AMEMBASSY SEOUL 0092 RUEHSM/AMEMBASSY STOCKHOLM 0082 RUEHTV/AMEMBASSY TEL AVIV 1814 RUEHKO/AMEMBASSY TOKYO 0311 RUEHJM/AMCONSUL JERUSALEM 5598

## CONFIDENTIAL AMMAN 001739

NOFORN SIPDIS

STATE FOR NEA/ELA (MGREGONIS), NEA/RA (JSHAUNFIELD AND MCLOUD), NEA/IPA ( KFRELICH), AND OES STATE PASS TO OPIC TEL AVIV FOR PROHRLICH

E.O. 12958: DECL: 08/03/2019

TAGS: <u>SENV EAGR EAID ENRG PGOV PREL KNNP JO IS</u>

SUBJECT: GOJ DETERMINED TO CONTINUE WITH JORDAN-ONLY RED

SEA DEVELOPMENT PROJECT

REF: A. A. STOCKHOLM 476

18. B. TOKYO 1748
10. C. STATE 78652
10. D. AMMAN 1472
11. E. AMMAN 1116

Classified By: Charge Lawrence C. Mandel for reasons 1.4 (b) and (d)

- 11. (C/NF) Post continues to engage Jordanian officials on various plans to use the Red Sea to address the country's dire water needs. Minister of Water and Irrigation Abu Saud reiterated Jordan's commitment to implementing the Jordan Red Sea Development Project (JRSP) in a July 22 meeting with OPIC representatives and ESTHOff. He asserted the JRSP is the only long-term solution for Jordan's water woes, noting that even the Disi project (which has OPIC financing) would be a temporary band-aid to long-term supply needs. Moreover, MWI also believes engineering firm Montgomery Watson Harza (MWH) has both the right technical skills and the political connections to move the JRSP forward. In the space of 45 minutes, Abu Saud praised MWH three times, referring to it as an expert organization doing excellent work, and also noted that former OPIC head Ted Munoz was serving as a financial advisor for this project. Demonstrating its commitment to both the project and MWH, MWI recently signed a new contract for MWH to lead the JRSP Phase 1 implementation.
- 12. (C/NF) Abu Saud acknowledged that the World Bank was "bent out of shape" upon learning of the JRSP announcement. Abu Saud declined to meet personally with World Bank representatives at the July 21 technical steering committee meeting in Amman, indicating that he preferred his staff deal with them. While noting the need for the RDS to be completed as planned, Abu Saud also express his disdain for the slow pace of World Bank projects noting that any RDS implementation would not likely start until 2025 at the current slow pace. The MWI believes most RDS donors will be sympathetic to the JRSP once they understand the rationale for Jordan's plans. (Note: The MWI has not organized any meeting to brief RDS donors about the JRSP. End Note.)
- 13. (C/NF) The MWI recently hosted an Egyptian delegation examining the potential RDS and JRSP impacts for Egypt. Abu

Saud noted that extracting two billion MCM of water from the Gulf of Aqaba would not impact the marine environment and Egyptian interests, and there was as much chance of the JRSP impacting marine life "in Miami as in the Gulf of Aqaba."

14. (C/NF) Comment: While the RDS includes an exhaustive environmental study, the JRSP Phase 1 currently does not incorporate any such study and will detract from the credibility of any JRSP implementation. The GOJ, however, continues to be committed to the JRSP and is counting on MWH to guide them forward. Abu Saud deferred on details related to financing and technical issues to "MWH studies and plans" as a sign of the high trust MWI has placed in MWH -- perhaps even mortgaging its future water-related development to MWH. The MWI has thus far chosen to gloss over the potential merging of the JRSP and RDS or potential technical conflicts. Media reports and public pronouncements from the MWI often blur the distinction between the two projects -- to the benefit of the ministry -- for instance when referring to Israeli and Palestinian support for the "Red Sea - Dead Sea project." End Comment.

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Mandel